

WEDGEWOOD  
 Office of the General Counsel  
 Alan M. Dettelbach (SBN 137540)  
 adettelbach@wedgewood-inc.com  
 Seth P. Cox (SBN 277239)  
 scox@wedgewood-inc.com  
 Julie A. Choi (SBN 281100)  
 jchoi@wedgewood-inc.com  
 Elaine Yang (SBN 285318)  
 eyang@wedgewood-inc.com  
 2015 Manhattan Beach Blvd., Suite 100  
 Redondo Beach, CA 90278  
 Telephone: (310) 640-3070  
 Facsimile: (310) 640-3090

Attorneys for Plaintiffs

**UNITED STATES DISTRICT COURT  
 CENTRAL DISTRICT OF CALIFORNIA**

FALCON VENTURES, LLC;  
 SPANISH FALCON LIMITED;  
 individually and derivatively on behalf  
 of HAYSTACK VENTURES  
 INVERSIONES SARL,

Plaintiffs,

vs.

HAYSTACK VENTURES  
 INTERNATIONAL, LLC; JEFFREY  
 OSCODAR; HAYSTACK  
 VENTURES ADVISORS,

Defendants,

and

HAYSTACK VENTURES  
 INVERSIONES SARL,

Nominal Defendant.

**Case No.**

**VERIFIED COMPLAINT FOR  
 BREACH OF CONTRACT;  
 BREACH OF FIDUCIARY DUTY;  
 VIOLATION OF SECTION 10(b)  
 OF THE SECURITIES  
 EXCHANGE ACT;  
 ACCOUNTING; CONVERSION;  
 CONSTRUCTIVE TRUST; AND  
 UNJUST ENRICHMENT**

**DEMAND FOR JURY TRIAL**

1 Plaintiffs Falcon Ventures LLC and Spanish Falcon Limited (collectively  
 2 referred to as “Plaintiffs”) by and through their undersigned attorneys, hereby  
 3 submit this Complaint (“Complaint”) on their own behalf as well as for the benefit  
 4 of nominal defendant Haystack Ventures Inversiones Sarl (“HVIS”) against certain  
 5 of its officers and directors seeking to remedy Defendants Haystack Ventures  
 6 International, LLC’s, Jeffrey Oscodar’s, and Haystack Ventures Advisors’  
 7 (collectively referred to as “Defendants”) breaches of fiduciary duties, unjust  
 8 enrichment, and violations of the Securities Exchange Act among other things,  
 9 from 2015 to the present (the “Relevant Period”) and that have caused substantial  
 10 monetary losses to Plaintiffs and HVIS and other damages.

### 11 **JURISDICTION AND VENUE**

12 1. This Court has jurisdiction of this action under federal question  
 13 jurisdiction pursuant to 28 U.S.C. §1331. This Court has exclusive jurisdiction,  
 14 pursuant to §27 of the Securities Exchange Act, 15 U.S.C. §§78aa, because this  
 15 action asserts claims under Section 10(b) of the Exchange Act, and has  
 16 supplemental jurisdiction over the non-federal claims asserted herein under 28  
 17 U.S.C. §1367(a).

18 2. Venue is proper in this District pursuant to 28 U.S.C. §1391(a) because a  
 19 substantial portion of the transactions and wrongdoing complained of herein, have  
 20 occurred within this District.

### 21 **PARTIES**

22 3. Plaintiff Spanish Falcon Limited (“Spanish Falcon”) is a limited liability  
 23 private exempt company organized under the laws of Malta, with a registered  
 24 office at 171 Old Bakery Street, Valletta VLT 1455, Malta. Spanish Falcon is a  
 25 shareholder of Nominal defendant HVIS.

26 4. Plaintiff Falcon Ventures, LLC (“Falcon Ventures”) is a limited liability  
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1 company organized under the laws of Delaware, USA with a registered office at  
 2 2015 Manhattan Beach Blvd., Suite 100, Redondo Beach, California. Falcon  
 3 Ventures is the sole owner of Plaintiff Spanish Falcon.

4 5. Nominal defendant Haystack Ventures Inversiones, Sarl (“HVIS”) is a  
 5 “*societe par actions simplifíee*” incorporated and existing under the laws of  
 6 Luxembourg with a registered office at 9, rue Gabriel Lippmann, Parc d’Activite  
 7 Syrdall 2, L-5365 Munsback, Grand-Duchy of Luxembourg.

8 6. Defendant Haystack Ventures International, LLC (“HVI”) is a limited  
 9 liability company incorporated and existing under the laws of Delaware, USA,  
 10 with a registered office at 16192 Coastal Highway, Lewes, Delaware, USA. HVIS  
 11 is a shareholder of Nominal defendant HVIS.

12 7. Defendant Jeffrey Oscodar (“Oscodar”) is a Director of the Board of  
 13 Nominal defendant HVIS. Oscodar is also the President and Manager of  
 14 Defendant HVI and the primary representative of HVIS during the Relevant  
 15 Period.

16 8. Defendant Haystack Ventures Advisors (“HVA”) is a “*societe a*  
 17 *responsabilitee limitee*” incorporated and existing under the laws of Luxembourg  
 18 with a registered office at 9, rue Gabriel Lippmann, Parc d’Activite Syrdall 2, L-  
 19 5365 Munsback, Grand-Duchy of Luxembourg. Defendant Oscodar is the primary  
 20 representative of HVA during the Relevant Period.

### 21 **FACTUAL ALLEGATIONS**

22 9. In or around 2015, Defendants were in discussions with  
 23 Plaintiffs regarding the “opportunity” to invest in HVIS, to facilitate the purchase,  
 24 investment, holding, management, refurbishment, renovation, and sale of real  
 25 estate properties in Spain.

26 10. Defendants made representations to Plaintiffs regarding the  
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1 operation of HVIS in order to induce Plaintiff to enter the investment transaction  
2 that ultimately turned out to be false.

3 11. Among other misrepresentations, in or about 2015 Defendant  
4 Oscodar represented on behalf of Defendant HVI to Plaintiffs that as a shareholder,  
5 Plaintiffs would be permitted access to examine the books and records of HVIS;  
6 that Plaintiffs would be entitled to any financial information about the performance  
7 of HVIS; that no action would be taken with respect to certain matters without  
8 express approval of the Supervisory Board (on which Plaintiffs' maintained  
9 representation), and that all transactions would be conducted in good faith, among  
10 other things.

11 12. Defendant Oscodar again made such representations on behalf  
12 of Defendant HVI on or about February 1, 2016 in writing. Accordingly, in  
13 reliance on Defendants' misrepresentations and inducements, on or about February  
14 1, 2016, Plaintiff Spanish Falcon entered into a Shareholders' Agreement  
15 ("Shareholders' Agreement") with Defendant HVI.

16 13. The Shareholders' Agreement incorporated many of  
17 Defendants' misrepresentations, including, but not limited to, the following:

18 "3.6 Daily operations of [HVIS] will be guided by Haystack  
19 Advisors, pursuant to the service agreement to be entered into  
20 between Haystack Advisors and [Nominal defendant HVIS], as  
described below at Clause 15, Item 15."

21 "3.7 [HVIS's] activities will be overseen by a supervisory board (the  
22 "Supervisory Board") comprised of two members (the  
"Supervisors"):

- 23 (a) One supervisor nominated by [HVI]; and
- 24 (b) One supervisor nominated by [Spanish Falcon]."

25 "3.8 [HVIS] shall take no action (and neither the  
26 Shareholders nor the Board shall authorize any action) in  
27 respect of the matters set forth in Schedule 1 hereto (the  
28 "Reserved Matters" [which includes entering into any  
agreement with respect to the acquisition of Properties or of a

Project]), without the prior express approval of the Supervisory Board.

“7.6 [HVIS] will pay reasonable and customary operating expenses for [HVIS] as they are incurred. Such operating expenses will include in particular (a) Management Fees (as defined below at Clause 15.2), (b) attorneys’ and accountants’ fees, and any fees of other related professionals, and (c) registration, domiciliation and associated administrative expenses.”

“8.2 Each Shareholder and its authorized representative shall be allowed access at all reasonable times to examine the books and records of the Company.”

“8.3 [HVIS] shall supply each Shareholder with the financial information necessary to keep the Party informed about how effectively the Business of [HVIS] is performing and in particular shall supply each party with:

(a) a copy of the accounts of [HVIS], certified by the auditor of the [HVIS] (if any) and prepared in accordance with the laws applicable in and the accounting standards, principles and practices generally accepted in Luxembourg, within 90 days of the end of the year to which the audited accounts relate; and

(b) monthly unaudited management accounts of the [HVIS] (comprised of the balance sheet and profit & loss statement).”

“8.4 [HVIS] shall maintain the books and records in a way that allocates income and expenses between the various projects.”

“8.5 Each Party shall be entitled to require [HVIS], and [HVIS] shall as soon as possible comply with such a request, to provide any documents, information and correspondence necessary, including financial statements and computations (at the cost the Party making the request) to enable the relevant Party to comply with filing, elections, returns or any other requirements of any revenue or tax authority.”

1                   “24.1 All transactions entered into between any Parties shall be  
2                   conducted in good faith . . .”

3                   “24.2 Each Party shall at all times act in good faith towards the others  
4                   and shall use all reasonable endeavors to ensure that this  
5                   Agreement is observed.”

6           14. As referenced in the Shareholders’ Agreement, on or about  
7 February 1, 2016, Defendant Oscodar on behalf of Defendant HVI represented to  
8 Plaintiffs that Haystack Ventures Advisors would serve as an advisor for HVIS and  
9 that HVIS would be entitled to terminate this role upon any material breach. This  
10 representation later turned out to be false. In reliance on this misrepresentation,  
11 Plaintiffs agreed to HVIS entering into an Advisory Services Agreement (“ASA”)  
12 with Defendant Haystack Ventures Advisors (“HVA”), of which, notably,  
13 Defendant Oscodar serves as its sole owner and representative. The ASA set forth  
14 HVIS’s ability to terminate the agreement with Defendant HVA for any material  
15 breach by either party.

16           15. Beginning in or around January 2016, Plaintiffs became  
17 increasingly concerned with the management and performance of HVIS and the  
18 manner in which Defendants distributed capital allocation, reported on the  
19 performance of certain properties, decisions made regarding property purchases,  
20 and related expenses.

21           16. Additionally, a review of the initial reports appeared to show  
22 evidence of commingling of HVIS funds with other Oscodar investments that were  
23 neither approved nor related to the operation of HVIS.

24           17. On information and belief, Defendant HVA also commingled HVIS  
25 funds with the costs and/or expenses of Defendant HVA, ultimately adding to the  
26 detriment of the management and operation of HVIS.

27           18. On investigating the matter further, Plaintiffs were unable to  
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1 attribute excessive overhead costs and on information and belief, believe that such  
2 costs were not related to the management and operation of HVIS as agreed upon.  
3 Plaintiffs further noted multiple financial errors in the documents to which  
4 Plaintiffs had access. When Plaintiffs questioned Defendants about the suspect  
5 costs, Defendants failed to provide any substantive response, ultimately in breach  
6 of their duties of disclosure and disregard for provisions and protections within and  
7 inherent to the Shareholders' Agreement.

8 19. Plaintiffs' investigation also revealed that Defendants incurred  
9 extremely high overhead expenses in the operation of HVIS that appear to have far  
10 exceeded what constitutes, "reasonable and customary operating expenses" as set  
11 forth in the Shareholders' Agreement.

12 20. On information and belief, Defendants compensated Defendant

13 21. HVA for services and reimbursed Defendant HVA for expenses that  
14 were unreasonable and not agreed upon by Plaintiffs as set forth in the  
15 Shareholders' Agreement. Additionally, on information and belief, Defendant  
16 HVA had taken monies from HVIS in an amount that far exceeds what was  
17 previously agreed to and used for improper "personal" expenses such air fare, hotel  
18 accommodations, legal fees paid for services rendered to Defendant Oscodar  
19 personally or to Defendant HVA, its office staff, office space, and other expenses  
20 which would typically be shouldered as costs by a management company, rather  
21 than expenses by HVIS.

22 22. As further evidence of Defendants' improper business practices, on  
23 one occasion, Plaintiffs erroneously overfunded one property purchase and  
24 repeatedly requested return of the monies. However, to date, Defendants failed to  
25 return said monies, despite prior instructions to do so. Even more egregious,  
26 Defendants recently attempted to re-characterize return of the overfunds as a  
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1 distribution, rather than refund of money erroneously paid, even though the  
2 overpayments were never intended to be an investment by HVIS.

3 23. Accordingly, after revealing the suspect business practices identified  
4 herein, Plaintiffs instructed Defendants to cease investing or re-investing Plaintiffs'  
5 monies into any assets. However, Defendants disregarded these instructions and  
6 the requirements set forth in the Shareholders' Agreement and continued to  
7 purchase properties without first obtaining the requisite approval from the  
8 Supervisory Board.

9 24. Plaintiffs made approximately fifteen requests for an accounting of  
10 the operating costs and to examine the books and records (which, upon information  
11 and belief, are located in California) for HVIS beginning in or around May 2016 to  
12 present.

13 25. However, in response to each of Plaintiffs' inspection demands,  
14 Defendants either produced inadequate reports and records or provided evasive and  
15 indirect responses, ultimately stonewalling all such requests.

16 26. To date, Defendants have refused to make any of the books and  
17 records available for inspection, in direct breach of the Shareholder Agreement.

18 27. As a result of the foregoing, on or about March 13, 2017, on behalf of  
19 HVIS, Plaintiffs again gave notice of Defendant HVA's material breach of the  
20 ASA. Despite such notice, Defendant HVA, through its words and conduct,  
21 repeatedly and unequivocally continues to demonstrate its intention to refuse to  
22 perform in accordance with the terms of the ASA.

23 28. As such, on behalf of HVIS,  
24 Plaintiffs effectively terminated the ASA on or about March 20, 2017. However,  
25 on or about March 27, 2017, Defendants refused to recognize and denied  
26 Plaintiffs' termination of the ASA, presumably to continue improperly paying  
27 themselves fees from HVIS. Accordingly, Defendants effectively blocked  
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1 Plaintiffs from exercising their rightful option to terminate the ASA which was  
2 ultimately to the detriment of HVIS and its shareholders.

3 29. Plaintiffs have not made any demand on the Board of Directors  
4 of HVIS to institute this action as such demand would be futile and useless act for  
5 at least the following reasons:

6 a. Currently, and at the time this action was initiated, the Board was  
7 comprised of two (2) members: Defendant Oscodar and Manacor  
8 (Luxembourg) S.A.;

9 b. Defendants are not independent directors and, thus, cannot  
10 consider a demand; and

11 c. Defendants are unable to disinterestedly consider a shareholder  
12 demand because they each face a substantial likelihood of liability  
13 as a result of their conduct.

14  
15 **COUNT ONE**

16 **Breach of Contract**

17 **(Against Defendant HVI)**

18 30. Plaintiffs incorporate by reference and re-allege each and every  
19 allegation set forth in the foregoing paragraphs as though fully set forth herein.

20 31. The Shareholders' Agreement between Plaintiff Spanish Falcon and  
21 HVI is a valid and binding contract.

22 32. A true and correct copy of the Shareholders' Agreement is attached  
23 hereto as Exhibit "A."

24 33. Plaintiff Spanish Falcon has fully performed all of its obligations  
25 under the terms of the Shareholders' Agreement.

1           34. With respect to any duty, covenant, or obligation, which Plaintiff  
 2 Spanish Falcon may have failed to perform, it was excused from such performance  
 3 by Defendant HVI's breaches of the Shareholders' Agreement.

4           35. Defendant HVI repeatedly breached the Shareholders' Agreement in  
 5 various ways, including but not limited to:

- 6           • Defendant HVI failed to "use its best endeavors to promote and  
 7 develop the Business to the best advantage of [HVIS]" as agreed  
 8 upon in the Shareholders' Agreement;
- 9           • Defendant HVI failed to maintain accurate and complete  
 10 accounting and financial records;
- 11           • Defendant HVI purchased properties without obtaining the  
 12 requisite approval of the HVIS Supervisory Board, pursuant to the  
 13 Shareholders' Agreement;
- 14           • Defendant HVI breached the Shareholders' Agreement by failing  
 15 to provide Plaintiff with relevant financial information (e.g. asset  
 16 level reporting and operating expenses) relating to HVIS;
- 17           • Defendant HVI breached the Shareholders' Agreement by its  
 18 repeated refusal to permit examination of their books and records,  
 19 as explicitly allowed in both Agreements;
- 20           • Defendant HVI breached the Shareholders' Agreement by  
 21 unilaterally making decisions regarding the activities of HVIS,  
 22 such that the Initial Budget did not govern the activities of HVIS,  
 23 and without decision and approval by the Supervisory Board;
- 24           • Defendant HVI breached the Shareholders' Agreement by failing  
 25 to honor Plaintiff's right of first refusal to enter into other  
 26 investments; and
- 27           • Defendant HVI breached the Shareholders' Agreement by failing  
 28 to give full force and effect to the spirit and intention of the  
 agreement.

36. Accordingly, Defendant HVI's acts and omissions, as alleged  
 above, constitute breaches of their contractual duties to act in good faith and deal  
 fairly with Plaintiff.

37. On information and belief, Defendant HVI's acts and omissions, as  
 alleged above, were perpetrated in bad faith and wanton dishonesty, in a  
 surreptitious manner, with the intent to appropriate from Plaintiff.

1           38. As a direct and proximate result of Defendant HVI's material  
 2 breach of the agreement, Plaintiffs suffered damages and irreparable harm,  
 3 including but not limited to monies belonging to Plaintiffs related to an overfund of  
 4 a property purchase; expenses including but not limited to allocation of corporate  
 5 costs, legal, finance and accounting expenses, and valuation expenses; and monies  
 6 used to purchase property without first obtaining the requisite approval.

## 7 8           **COUNT TWO**

### 9           **Derivative Claim for Breach of Contract**

#### 10           **(Against Defendant HVA)**

11           39. Plaintiffs incorporate by reference and re-allege each and every  
 12 allegation set forth in the foregoing paragraphs as though fully set forth herein.

13           40. The Advisory Services Agreement ("ASA") between Nominal defendant  
 14 HVIS and Defendant HVA is a valid and binding contract. A true and correct copy  
 15 of the ASA is attached hereto as Exhibit "B".

16           41. Nominal defendant HVIS has fully performed all of its obligations  
 17 under the terms of the ASA and with respect to any duty, covenant, or obligation,  
 18 which Nominal defendant HVIS may have failed to perform, it was excused from  
 19 such performance by Defendant HVA's breaches of the ASA.

20           42. Defendant HVA repeatedly breached the ASA in various ways,  
 21 including but not limited to: failing to maintain true and accurate books of account  
 22 of all financial activities relating to its services; refusing access to books and  
 23 records; failing to accept termination of the ASA upon the occurrence of a material  
 24 breach; and commingling HVIS funds with the costs and/or expenses of Defendant  
 25 HVA, ultimately adding to the detriment of the management and operation of  
 26 HVIS.

27           43. As a direct and proximate result of Defendant HVA's material breach of  
 28

the ASA, Nominal defendant HVIS suffered damages and irreparable harm including but not limited to monies belonging to HVIS that Defendant HAV commingled; and expenses including but not limited to allocation of corporate costs, legal, finance, and accounting expenses.

### **COUNT THREE**

#### **Derivative Claim for Breach of Fiduciary Duty (Against Defendant Oscodar)**

44. Plaintiffs incorporate by reference and re-allege each and every allegation set forth in the foregoing paragraphs as though fully set forth herein.

45. Defendant Oscodar owed and owes HVIS fiduciary obligations, including the highest obligation of good faith, fair dealing, disclosure, loyalty, and care.

46. Pursuant to such fiduciary duties, Defendant Oscodar was required to act in the utmost good faith and to avoid acts and omissions adverse to HVIS.

47. Defendant Oscodar breached his fiduciary duties, including the duties of disclosure, loyalty, and care, by: causing or allowing HVIS to disseminate to Plaintiff materially misleading and inaccurate information through disclosure of inaccurate and misleading financial records and communications; refusing Plaintiff's right to access and inspect the books and records of HVIS; denying Plaintiff's right to terminate the ASA, which Plaintiff asserted on behalf HVIS; failing to use Oscodar's best endeavors to promote the operation of HVIS; and ultimately, by elevating Defendant's own interests above those of HVIS, among other things.

48. As a direct and proximate result of Defendant Oscodar's failure to perform his fiduciary obligations, HVIS has sustained significant damages, including but not limited to monies belonging to Plaintiffs related to an overfund of

1 the purchase of multiple properties; monies belonging to Plaintiffs related to the  
 2 wrongful acquisition of a number of properties; monies taken from HVIS for  
 3 expenses including but not limited to allocation of corporate costs, legal, finance and  
 4 accounting expenses, and valuation expenses; and monies used to purchase property  
 5 without first obtaining the requisite approval.

6 49. As a result of the misconduct alleged herein Defendant Oscodar  
 7 is liable to HVIS.

#### 8 **COUNT FOUR**

#### 9 **Derivative Claim for Violations of Section 10(b) of the Securities Exchange**

#### 10 **Act of 1934 and Rule 10b-5**

#### 11 **(Against all Defendants)**

12 50. Plaintiffs incorporate by reference and re-allege each and every  
 13 allegation set forth in the foregoing paragraphs as though fully set forth herein.

14 51. By engaging in the conduct described above, Defendants, and  
 15 each of them, directly or indirectly, in connection with the purchase or sale of  
 16 securities and by the use of the means or instrumentalities of interstate commerce  
 17 or of the mails, with scienter made untrue statements of a material fact or omitted  
 18 to state a material fact necessary in order to make the statements made, in light of  
 19 the circumstances under which they are made, not misleading.

20 52. Defendants violated Section 10(b) of the Securities Exchange  
 21 Act and Rule 10b-5 in that they: (i) employed devices, schemes and artifices to  
 22 defraud and (ii) made untrue statements of material facts or omitted to state  
 23 material facts necessary in order to make the statements made, in light of the  
 24 circumstances under which they were made, not misleading.

25 53. As a direct and proximate result of the foregoing, HVIS has  
 26 sustained direct and significant damages, including but not limited to monies  
 27 belonging to Plaintiffs related to an overfund of the purchase of multiple properties;  
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1 monies belonging to Plaintiffs related to the wrongful acquisition of a number of  
2 properties; monies taken from HVIS for expenses including but not limited to  
3 allocation of corporate costs, legal, finance and accounting expenses, and valuation  
4 expenses; and monies used to purchase property without first obtaining the requisite  
5 approval.

6  
7 **COUNT FIVE**

8 **Derivative Claim for Accounting**

9 **(Against all Defendants)**

10 54. Plaintiffs incorporate by reference and re-allege each and every  
11 allegation set forth in the foregoing paragraphs as though fully set forth herein.

12 55. At all times, there existed a fiduciary or trust with respect to  
13 Defendants' dealings regarding HVIS. Plaintiffs entrusted to Defendants their  
14 interest and monies regarding the operation and management of HVIS.

15 56. As the foregoing alleges, Defendants have repeatedly breached their  
16 fiduciary duties to Plaintiffs. Further, Defendants have refused to provide an  
17 accounting despite Plaintiffs' repeated requests. Accordingly, the activities of  
18 Defendants as alleged above entitle Plaintiffs to an accounting by Defendants for  
19 all of the monies and any other property received by Defendants.

20 57. No other remedy will adequately account for the full amount of  
21 monies that Defendants have wrongfully misappropriated from Plaintiffs.

22 **COUNT SIX**

23 **Conversion**

24 **(Against all Defendants)**

25 58. Plaintiffs incorporate by reference and re-allege each and every  
26 allegation set forth in the foregoing paragraphs as though fully set forth herein.

59. Plaintiffs believes, and on that basis alleges, that Defendants are in control over property that lawfully belongs to Plaintiffs, including but not limited to monies related to an overfund of a property purchase; monies taken from HVIS for expenses including but not limited to allocation of corporate costs, legal, finance and accounting expenses, and valuation expenses and monies used to purchase property without first obtaining the requisite approval (collectively referred to as "Property").

60. Defendants' acts and omissions, as alleged above, were intended to and, in fact did appropriate to themselves, without justification, the ownership, rights, and interest in the Property that was rightfully owned by Plaintiffs and HVIS.

61. Defendants converted and continue to convert such Property to their own personal use and have refused and continue to refuse to return said Property to Plaintiffs and HVIS, the rightful owners of the same, despite their repeated requests for the return of such Property.

62. By reason of the foregoing, Plaintiffs and HVIS have sustained damages in that they have been wrongfully deprived of the converted property in an amount according to proof.

## **COUNT SEVEN**

### **Constructive Trust**

#### **(Against all Defendants)**

63. Plaintiffs incorporate by reference and re-allege each and every allegation set forth in the foregoing paragraphs as though fully set forth herein.

64. At all times, there existed a fiduciary or trust with respect to Defendants' dealings regarding HVIS. In reliance thereon, Plaintiffs entrusted to Defendants their interest and monies regarding the operation and management of HVIS.

65. Without justification, Defendants wrongfully: purchased properties



1 without obtaining the requisite approval and after Plaintiffs' instruction to do the  
2 contrary; refused to return overfunds rightfully belonging to Plaintiffs; and  
3 wrongfully appropriated Plaintiffs' property, including but not limited to monies  
4 belonging to Plaintiffs related to an overfund of the purchase of multiple properties;  
5 monies belonging to Plaintiffs related to the wrongful acquisition of a number of  
6 properties; monies taken from HVIS for expenses including but not limited to  
7 allocation of corporate costs, legal, finance and accounting expenses, and valuation  
8 expenses; and monies used to purchase property without first obtaining the requisite  
9 approval, among other things. As a result of such conduct, Defendants have been  
10 unjustly enriched.

11 66. By reason of the foregoing, Plaintiffs sustained damages in an amount  
12 according to proof. Plaintiffs are entitled to the imposition of a constructive trust  
13 on any and all proceeds obtained by Defendants as a result of the foregoing  
14 conduct.

## 15 **COUNT EIGHT**

### 16 **Derivative Claim for Unjust Enrichment**

#### 17 **(Against all Defendants)**

18 67. Plaintiffs incorporate by reference and re-allege each and every  
19 allegation set forth in the foregoing paragraphs as though fully set forth herein.

20 68. By their wrongful acts and omissions, Defendants were unjustly  
21 enriched at the expense of and to the detriment of HVIS.

22 69. Plaintiff Spanish Falcon, as a shareholder and representative of HVIS,  
23 seeks restitution, damages, an order of this Court disgorging all profits, benefits,  
24 and other compensation obtained by these Defendants from their wrongful conduct  
25 and fiduciary breaches, and other relief for HVIS, in an amount to be proven at  
26 trial.  
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**PRAYER FOR RELIEF**

WHEREFORE, Plaintiffs pray for judgment as follows:

1. Determining that this action is a proper derivative action maintainable under law and demand is excused;
2. Awarding, against all Defendants and in favor of HVIS, the damages sustained by HVIS as a result of Defendants' breaches of fiduciary duties;
3. Awarding, against all Defendants and in favor of Plaintiffs, the damages sustained by Plaintiffs as a result of Defendants' breaches of fiduciary duties;
4. Awarding to HVIS restitution from Defendants, and from each of them, and ordering disgorgement of all profits, benefits and other compensation obtained by Defendants during the Relevant Period;
5. Awarding to Plaintiffs the costs and disbursements of the action, including reasonable attorneys' fees, accountants', and experts' fees, costs and expenses; and
6. Granting such other relief and further relief as the Court deems just and proper.

**JURY DEMAND**

Plaintiffs demand a jury trial.

Dated: April 6, 2017

WEDGEWOOD OFFICE OF THE  
GENERAL COUNSEL

By: /s/ Seth P. Cox

Seth P. Cox  
Julie A. Choi  
Elaine Yang  
Attorneys for Plaintiffs Falcon  
Ventures, LLC and Spanish Falcon  
Limited

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10 **VERIFICATION**

11 I, David Wehrly, declare:

12 I am the authorized agent of Plaintiff Spanish Falcon Limited, which is a  
13 shareholder of nominal Defendant Haystack Ventures Inversiones Sarl ("HVIS"),  
14 and have been during the relevant time period. I certify under penalty of perjury  
15 that I have read and reviewed the Verified Complaint and authorized its filing.  
16 Based upon my and my counsel's investigation, the contents of the Verified  
17 Complaint are true to the best of my knowledge, information and belief.

18  
19 Date: April 6, 2017

By: 

David Wehrly